Recovery of Amounts for Iraqui Exposures

3433. SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE : Will the Minister of FINANCE be pleased to state :

(a) whether over Rs. 1000 crores are locked up in Iraqui exposure and the banks are not sure about their recovery;

(b) if so, facts of the matters and the names of the banks involved in the deal;

(c) the details of other major overdues with doubtful recovery position as on the 31st January, 1993;

(d) the details of action taken/proposed to be taken in this regard; and

(e) what are the implications of these major overdues ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) to (c) Exim Bank Indian Banks have outstanding loans to the tune of about Rs. 800 crores extended to Indian construction companies who have executed projects in Iraq and which are covered under Indo-Iraq Government to Government deferred payment arrangements. The Indian banks involved in the contracts are State Bank of India, Bank of India, Bank of Baroda, Syndicate Bank & Canara Bank.

(d) The above loans were being serviced through imports of Crude Oil from Iraq under Deferred Payment Arrangements Agreement (DPAS) between Government of India & Government of Iraq. However, with the onset of the Gulf Crisis and imposition of the UN trade embargo, import of crude Oil could not be effected and no payments have, therefore, been realised under DPAS, since August, 1990. Government took up the matter with the UN Security Council Committee about the possibility of Iraq providing Oil to India in lieu of money owned to Indian construction companies in January, 1991. However, the response of the UN Security Council Committee was not favourable. Arrangements for realisation of further payments from Iraq can, therefore, be worked out only after the lifting of UN trade embargo on Iraq.

(e) The Iraqui overdues have created a temporary liquidity problem both for the project exporters as also the commercial banks.

Non Payment of Loans by State Bank of Indore

3434. SHRI RAM NARESH YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether the State Bank of Indore has stopped granting loans to the poor persons living below the poverty line in Madhya Pradesh and Uttar Pradesh;

(b) if so, what are the reasons for not granting loans; and

(c) the steps taken by Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) State Bank of Indore has reported that it has not stopped granting loans to the poor persons living below the poverty line in Madhya Pradesh and Uttar Pradesh.

(b) and (c) Do not arise in view of (a) above.

3435. [*Transferred to 29th March, 1993.*]

Seizure of Money, Gold and Silver in the Country

3436. SHRIMATI CHANDRIKA ABHINANDAN JAIN : Will the Minitser of FINANCE be pleased to state :

(a) the details of the Gold, Silver, Benami accounts, Currency notes etc. found and seized in Gujarat, Maharashtra, Bombay and Delhi and some other places in the country during the last two years;

(b) the names and status of individuals firms involved in this seizure;

(c) the action taken against each; and

(d) the details of the steps taken to stop such activities in the country ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SH. M. V. CHANDRASHEKHAR MURTHY) : (a) to (c) The value of gold, silver, currency, etc. seized by the Customs and the Income Tax Departments throughout the country including Gujarat, Maharashtra, Bombay and Delhi during the last two financial years from 1-4-1990 to 31-3-1992 are given below: :—

Customs Deptt.	Value of seizures (Rs. in crores)
Gold	386.40
Silver	285.25
Currency	30.86
No. of persons arrested	613
Income Tax Deptt.	
Cash	77.72
Jewellery	111.77
Others	218.22
No. of persons arrested	'Nil'

Case-wise records of such cases are not maintained. Necessary follow-up action, as required under the law, is taken in each case.

(d) The enforcement agencies are vigilant against the activities of smugglers and tax-evaders, systematic survey operations and search and seizure operations are undertaken when/where necessary. Close coordination is being maintained among all the agencies concerned.

Court cases filed by State Bank of Indore

3437. SHRI RAM NARESH YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that a large number of cases have been filed by the State Bank of Indore, for the recovery of loans during the last three years;

(b) if so, what are the details thereof branch-wise;

(c) the amount that was spent as court fee and advocates' fee for each case, branch-wise; and

(d) what is the present position of these cases ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) to (d) The information is being collected and will be laid on the Table of the House.

Revamping the Insurance System

3438. SHRI SATISH PRADHAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government have drawn up a blue print for revamping the insurance structure;

(b) if so, what are the details of Policy changes suggested pertaining to organisational restructuring, innovative product development, simplification in policies and procedures, marketing strategy and delivery system; and

(c) what are the details of decisions taken and implications thereof;

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) to (c) It has been decided to appoint a High Powered Committee to recommend reforms in the insurance industry aimed at introducing a more competive environment subject to suitable regulation and supervision, and submit its recommendations within six months.

Guidelines to Foreign Banks

3439. PROF. SAURIN BHATTACHARYA : Will the Minister of FINANCE be pleased to satte :

(a) whether it is a fact that some of the foreign banks operating in the country have been flouting the guidelines in respect to the operation of savnigs bank account with their banks;

(b) whether some of these banks have raised limits upto Rs. 10,000 to be maintained in savings bank accounts failing that severe penalty is imposed;